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RUEHKA/AMEMBASSY DHAKA 1234  
RUEHNE/AMEMBASSY NEW DELHI 2200  
RUEHWL/AMEMBASSY WELLINGTON 3039  
RUEHHK/AMCONSUL HONG KONG 2946  
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RUEAWJA/DEPT OF JUSTICE WASHDC  
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C O N F I D E N T I A L SECTION 01 OF 04 JAKARTA 001699

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SUBJECT: TRILATERAL COUNTERTERRORISM CONSULTATIONS:  
JAKARTA INPUT

REF: STATE 84610

Classified By: DCM John A. Heffern, reasons 1.4(b+d).

11. (C) SUMMARY: Mission supports the counterterrorism consultations of the Trilateral Strategic Dialogue that will be held with Japan and Australia in Washington, October 2-3. In the context of steady progress on the counterterrorism front in Indonesia, Mission provides below a summary of ongoing programs that have been briefed to partners. We also review new initiatives regarding the four proposed programmatic themes and areas where greater partner engagement is needed. END SUMMARY.

THE CONTEXT: STEADY PROGRESS

12. (C) Indonesia has continued to be a willing and capable partner in counterterrorism efforts. U.S. and other trilateral assistance has played a major, if largely silent, role in that success. Three years into the Yudhoyono Administration, Jakarta remains stalwart in its commitment to put terrorists behind bars. Vigorous efforts by GOI law enforcement during the past year have dismantled several Jemaah Islamiyah (JI) terror cells and further reduced the ability of radical groups to carry out attacks. The GOI has made successful efforts to ensure that arrested terrorists are successfully prosecuted: for example, all of the key suspects arrested for terrorism by the police in 2007 were tried in Jakarta, where more experienced judges and prosecutors handled the judicial process and the possibility for manipulation of the judicial process by local supporters was minimized.

13. (C) Equally important, the GOI is improving the public's perception of its efforts to the point where violent, radical groups no longer receive the support from the larger Islamic community that they enjoyed a few years ago. The government is also keeping terrorists in prison longer and has instituted a selective de-radicalization effort which has yielded promising results. The improved security situation led the Department, on the Ambassador's recommendation, to

lift the travel warning for Indonesia. During the recent visit of S/CT PDAS Feierstein, Indonesian interlocutors proposed launching regular counterterrorism consultations similar to those conducted recently with Australia.

#### MISSION INPUT: NEW INITIATIVES

14. (C) Regarding two of the four working groups defined reftel for the October 2-3 consultations in Washington, Department may wish to include mention of the following current initiatives in CT-related assistance to Indonesia:

##### A: Bioterrorism:

- Biosecurity Engagement Program (BEP). The Mission works with the GOI to improve security at laboratories that maintain biological material.

##### B: Counter Radicalization and Strategic Communication

- U.S. Assistance: Embassy Jakarta received S/CT and GWOT funds to work with the Directorate of Prisons to create Standard Operating Procedures on how to manage terrorist prisoners; expose them to moderate Islamic thought; and teach job skills to prepare terrorist prisoners for eventual release. Embassy supports the proposed grant from the Senior Leaders Conference Fund for prison administration in Indonesia.

- Indonesian Support: The INP has a small, ad hoc

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deradicalization program led by the commander of Special Detachment 88. The INP targets arrested terrorists perceived to be open to moderate Islamic teachings. The police also provide minimal financial assistance to the families of the selected prisoners so they will not seek support from radical groups such as Jemaah Islamiyah. The INP has requested assistance from the U.S. and Australia but the program is not organized sufficiently to properly account for its expenditures.

- Australian and Japanese Assistance: Both Australia and Japan are interested in general prison system reform and are actively researching ways to assist the Directorate of Prisons with improving the professionalism of administrators and guards and upgrading facilities to better house terrorist prisoners. Australia has hosted high-level prison and police officials to inspect their prisons and gain "lessons learned."

- The following programs are also relatively new and have not been briefed to Trilateral counterparts:

- Soccer clinics in Central Sulawesi (Small Grants Funding)
- Assistance with prison management
- With the Wahid Institute, a conference on religious tolerance
- Scholarships for underprivileged Indonesian high school students

#### PRESSING PARTNERS TO DO MORE

15. (C) While the Trilateral partners work well together in Indonesia to assist the GOI with a multitude of programs, more can be done. The Japanese Embassy promotes a few programs relating to community policing and Marine Security, but their assistance remains limited. Mission would like to see more engagement by the Japanese on terrorism finance, police professionalization and other non-military aspects.

16. (C) Extremist Publishing: The Russian Embassy approached the Ambassador in February regarding a shared concern regarding the sophisticated extremist publications being sold openly throughout the country. The publications included a high-gloss magazine entitled "JihadMag", DVDs, and inexpensive pamphlets supporting violence as a legitimate method of fighting non-Muslims. Mission approached the

Australian and Japanese Embassies through the G-8's Counterterrorism Assistance Group (CTAG) about doing a joint CTAG demarche regarding the publications and the funding -- within Indonesia or the Middle East -- that supports them. Australia was reluctant to press the GOI for fear of disturbing cooperation more generally. The Japanese were not opposed to a joint demarche but wanted to give the GOI more time to investigate the issue and consider the harm the publications could do within at-risk groups. Mission would like stronger Australian and Japanese support on the issue.

17. (C) Terrorist Financing: The Financial Action Task Force Asia/Pacific Group on Money Laundering (FATF APG) concluded, in a Mutual Evaluation Review of Indonesia reviewed at the July 2008 APG meeting in Bali, that the GOI was not compliant with FATF Special Recommendation No. 1 (Implement UN instruments). The GOI has not fully implemented the UN Terrorist Financing Convention and has not implemented UNSCR 1267 and its successor resolutions or UNSCR 1373 and its successor resolutions. There is no effective mechanism to confiscate property associated with Terrorist Financing offenses. Indonesia was also found non-compliant with FATF Special Recommendation VIII (Non-profit organizations) as it had not taken a review of its domestic NPO sector and has no ongoing strategy to identify and mitigate significant TF risks within the sector. The Indonesian government must now develop an action plan addressing how it will comply with the

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FATF recommendations. It would be useful to discuss with Australian and Japanese partners strategies for encouraging the government of Indonesia to develop a robust action plan that leads to full implementation of its obligations to counter the financing of terrorism.

18. (C) Al-Manar Satellite Broadcasts: Although Embassy has urged INDOSAT to cease transmitting Al-Manar satellite broadcasts, INDOSAT has continued to carry the broadcasts. Embassy would like to explore ways United States and Australia can work together to halt transmissions of these broadcasts.

#### CURRENT U.S. CT ASSISTANCE PROGRAMS

19. (C) The following USG programs have been briefed to Trilateral partners in Jakarta:

-- Marine Police: DOJ ICITAP purchased 20 small patrol boats for the Marine Police and building a Command Information Center in Jakarta to coordinate Marine Police patrols. ICITAP is also providing training to the police regarding environmental crimes, i.e., illegal logging, fishing and wildlife smuggling.

-- Anti-terrorist Training: The Diplomatic Security Anti-Terrorism Assistance (ATA) program is continuing to train the INP's elite anti-terrorist unit, Special Detachment 88, in basic and advanced tactical skills.

-- Terrorist Financing: ECON continues to engage DEPLU on GOI compliance with UNSCR 1267 mandates on terrorist asset freezing.

-- Financial Crime Prevention: USAID's Financial Crime Prevention Project, which began in 2004, ended in June 2008, although work on the draft asset forfeiture law will continue in coordination with DOJ. USAID is continuing its Anti-Corruption and Peace and Democracy Projects with five district Jakarta courts.

-- Money Laundering: The U.S. and Australia sponsored a Bulk Cash Courier workshop in April for regional law enforcement officials.

-- Attorney General's Taskforce: The Department of Justice is supporting the Attorney General's taskforce on Terrorism

and Transnational Crime.

-- Counternarcotics Assistance: The Drug Enforcement Administration (DEA) is working with the GOI on counternarcotics investigations and arrests.

-- Prison Management: Embassy Jakarta received S/CT funds to work with the Directorate of Prisons to create Standard Operating Procedures on how to manage terrorist prisoners; expose them to moderate Islamic thought; and teach job skills to prepare terrorist prisoners for eventual release.

-- Extremist Publishing: Mission is working with the G-8 Counterterrorism Assistance Group (CTAG) to encourage the GOI to review the impact of extremist publications within the country, and to investigate who is funding the material. In February, a new, high-gloss magazine appeared in mainstream bookstores throughout the country. The Mission has asked Australia and Japan to support our efforts to create a joint CTAG demarche to the GOI expressing our concern about the content of the publications and who is funding them. Both countries seem reluctant to support our joint demarche request.

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-- Extremist Television: The Al-Manar satellite network leases satellite air time on INDOSAT, an Indonesian television network. Al-Manar is a Hezbollah-funded network that broadcasts a variety of Islamic-centric programming into Indonesia. Some of the programming promotes religious intolerance, glorifies suicide bombers, and suggests that violence is an acceptable method of solving religious differences. The Mission is urging the GOI to remove the network from the INDOSAT satellite. The Australians are considering similar actions.

#### ONGOING NON-COUNTERTERRORISM COORDINATION AREAS

110. (C) The following areas and issues bearing directly or indirectly on CT have been discussed with Trilateral partners locally for possible assistance and policy coordination:

- Border and Maritime security
- Customs/border security
- Aviation safety/security (seeking GOI permission for U.S. and Australian air marshals to carry weapons on flights to/from Indonesia)
- Transnational crime (human trafficking, drug trafficking, illegal logging, fuel smuggling, illegal fishing)
- Police reform/professionalism
- Community policing
- Document fraud
- Jakarta Center for Law Enforcement Cooperation (JCLEC)
- Legal and judicial reform assistance
- Military reform
- Democracy and human rights
- Disaster response preparedness
- Avian Influenza sample sharing
- Iran nonproliferation and Burma democratization (encouraging GOI support for policy goals)

HUME